

HB 1965

## COMMERCE AND LABOR

1. After line 82, engrossed

insert

5. That the regulations required to be adopted by the State Air Pollution Control Board (Board) pursuant to § 10.1-1307.04 of the Code of Virginia, as created by this act, shall allow any motor vehicle manufacturer to establish a Virginia-specific zero-emission vehicle (ZEV) credit account in the ZEV Credit System and to make a one-time deposit into its account a number of proportional credits equal to its 2025 model year starting California credit balance multiplied by the ratio of the average number of passenger cars and light-duty trucks that a manufacturer produced and delivered for sale in Virginia to the average number of passenger cars and light-duty trucks the manufacturer produced and delivered for sale in California during the time period selected by the manufacturer for calculation of its ZEV requirement for the first effective model year. The deposit shall be made only after all credit obligations for model year 2024 and earlier have been satisfied. While manufacturers may trade or sell these proportional credits to any other manufacturer, these credits may be used to meet up to 18 percent of its ZEV program credit requirements in any model year, unless and until the required regulations are superseded by regulations updating the Advanced Clean Car Program. The Board shall not award or provide any vehicle manufacturer with any other form of ZEV program credits or credit balance prior to the effective date or at the beginning of the compliance period of the regulations required by § 10.1-1307.04 of the Code of Virginia, as created by this act. As part of any update to the required regulations to ensure compliance of the ZEV program with the federal Clean Air Act (42 U.S.C. § 7401 et. seq.), the Board shall adjust, if necessary, restrictions on the use of the proportional credits remaining in manufacturers' Virginia accounts in order to ensure that the percentage of ZEVs required to be delivered for sale under Virginia's ZEV program is approximately equivalent to, but does not exceed, the percentage required under California's ZEV program, taking into account only existing ZEV credit banks, any changes in restrictions on their use, and the effects of new regulatory requirements on the amount and timing of ZEVs required to be delivered for sale.